

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

June 3, 1983

To: All County Welfare Directors, Fiscal Officers,
Medi-Cal Liaisons, MEDS Coordinators Letter No. 83- 36

DIRECT CHARGING MEDS EXPENSES

As stated in All County Letter No. 83-5, dated January 17, 1983, the county work regarding design, development and implementation (DD&I) of the Medi-Cal Eligibility Data System (MEDS) is qualified for enhanced Federal Financial Participation (FFP), i.e., the Federal Government will reimburse the State for up to 90% of these costs. The purposes of this letter are 1) to call for full and timely claiming of these costs, and 2) to request that physical site preparation costs be separately identified.

Because the Health Care Financing Administration (HCFA) has placed a cap on the amount that the State can be reimbursed for the counties' MEDS DD&I costs, this Department has established maximum allocations to each county for this purpose. It is imperative that the counties direct charge for MEDS DD&I expenses. If a county claimed MEDS as normal Medi-Cal expenses rather than charging the expenses directly to MEDS, the State would be unable to receive the enhanced FFP for these expenses. Therefore, counties are instructed to establish procedures whereby all MEDS DD&I expenses are direct charged on the administrative claim.

The State will fully reimburse actual costs as approved for counties to implement MEDS. However, the counties must separately identify the physical site preparation costs for the State to claim the enhanced FFP. The physical site preparation costs are eligible for 75% FFP whereas the other direct chargeable cost items are eligible for 90% FFP.

Accordingly, this is to instruct each county fiscal officer to certify the amount of MEDS site preparation costs that either have been or will be direct charged. If your county's site preparation costs have already been claimed, please prepare a statement as to the total amount for this item and attach it to your administrative expense claim for the quarter ending June 30, 1983. If your county has not yet claimed reimbursement for site preparation costs, please attach such a statement to the administrative expense claim on which you claim these costs.

All County Welfare Directors -2-
Fiscal Officers
Medi-Cal Liaisons
MEDS Coordinators

Thank you for your continued cooperation. If you have any questions regarding either of the above items, please contact the MEDS Project at (916) 322-7601

Sincerely.

ORIGINAL SIGNED BY

Jo Ann Wray
Acting Deputy Director
Health Care Policy and
Standards Division